

SUPPLEMENTAL



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: June 6, 2006

COUNCIL DISTRICT: 3

SNI AREA: None

SUBJECT: FILE No. GP05-03-05. Tentative Denial of General Plan Amendment request to change the Land Use/Transportation Diagram designation from Light Industrial to High Density Residential (25-50 Dwelling Units/Acre) on an approximately 23-acre site located on several parcels on the westerly side of North 10th Street, and the easterly side of North 7th Street between Commercial and Hedding Streets approximately 900 feet northwesterly of Hedding Street (922 and 1080 North 7th Street and 999 and 1045 North 10th Street).

REASON FOR SUPPLEMENTAL MEMORANDUM

The attached letters from Frank Kent, President/CEO of Goodwill Industries, dated May 24, 2006, and Paul Krutko, Director Office of Economic Development, dated May 22, 2006 were distributed to the Planning Commission and were inadvertently left out of the Council Memo dated June 1, 2006 that was previously distributed.


for JOSEPH HORWEDEL, SECRETARY
Planning Commission

Attachment

May 22, 2006

San Jose Planning Commission
City of San Jose
200 East Santa Clara Street
San Jose, CA 95113

Re: General Plan Amendment (File No. GP05-03-05)
The site consists of several parcels on the west side of
North 10th Street, east side of North 7th Street between
Commercial and Hedding Street

Dear Planning Commissioner:

The Office of Economic Development opposes the proposed General Plan Amendment that would convert approximately 23 acres of Light Industrial property to residential use and is home to approximately 1,000 jobs. The area contains many industrial suppliers ranging from engineering firms to tool and dye manufacturing. These firms provide needed goods and services to many of San Jose's driving industries. The existence of a vibrant industrial supplier base considerably enhances San Jose as a prime location for driving industries.

Availability of good jobs is central to the health and vitality of the City. San Jose's jobs to employed resident ratio is far lower than surrounding communities. In recognition of this the Economic Development Strategy calls for the city to Diversify San Jose's Economic Base and preserve/Create Middle-income jobs. The average wage in the area is approximately \$41,000. The continued loss of industrial land will have a long-term fiscal impact on the City's economy due to the loss of tax revenue generated by businesses. As a result the City will have less capacity to maintain parks, and provide police and fire services.

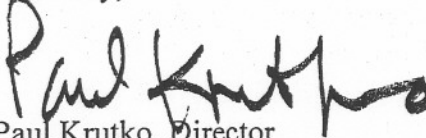
The proposed General Plan amendment would juxtapose residential and industrial uses. The General Plan Industrial Land Use Policy No. 1 states that because of the importance of retaining viable industrial supplier/service lands and the inherent incompatibility between residential or

non-industrial uses and industrial uses, new land uses that may restrict development of land exclusively for industrial uses should not be allowed to locate adjacent to these areas of the City. Recent experience shows that once a substantial area of land is converted from industrial to residential uses, the area surrounding the conversion is much more likely to also convert to residential or non-industrial uses. Rock Avenue is an example in which a single conversion, of less acreage, has led to several other nearby General Plan amendment requests for additional conversions.

San Jose's dwindling supply of heavy and light industrial land will weaken the City's ability to retain and attract industrial suppliers. Approximately 1,000 acres of Light Industrial land remain in San Jose. Of that, there are only 208 acres of vacant Light Industrial land exists (as of July, 2005). San Jose has thousands of new homes in production, in the permitting process, or in design. Housing is important, but it must be located in the right places to support desirable living environments. Housing should not be placed where it will negatively impact San Jose's job base and create a less than desirable environment for new residents.

I encourage the Planning Commission to reject the proposed General Plan Amendment. Thank you for your consideration.

Sincerely,


Paul Krutko, Director
Office of Economic Development



May 24, 2006

Re: General Plan Amendment Application – File Number GP05-03-05

Honorable Chair Dhillon and Members of the Planning Commission:

As the President and CEO of Goodwill Industries of Silicon Valley (GWSV), I wanted to share with each of you why this charitable Agency first elected to place our North Seventh Street property up for sale.

Simply and directly stated to you, this was done for one, and only one reason, i.e., to provide GWSV with necessary resources required to grow our ability to serve and place more individuals with various barriers to employment in realizing their fullest potential as productive members of the communities we serve. Nothing more, nothing less.

An example of our value to the communities we serve is the fact that despite our existing inadequate facilities, we were able to serve more than 2700 deserving people within Silicon Valley. Imagine what these numbers could be if we were allowed the necessary resources and the opportunity to grow and expand our good work.

Our existing North Seventh Street facilities are simply obsolete and grossly inadequate. In short, this current GWSV location is a barrier to fulfilling our charitable Mission.

So, by selling our property, and realizing the resources resulting from this transaction, GWSV will be able to accomplish the following:

- Dramatically increase growth of GWSV's functions,
- Produce a corresponding, and significant number of added jobs,
- Realize a resulting quantum leap in GWSV's ability to assist people within the community to overcome various barriers to employment so that they can achieve their fullest potential,
- *And, last but certainly not least, all of these positive achievements will occur solely within the city limits of San Jose.*

GOODWILLSV.ORG

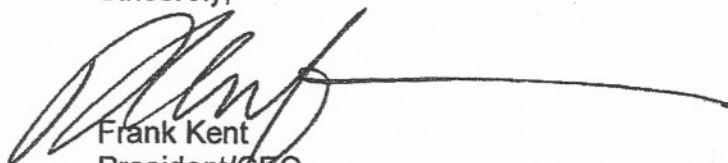
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Good people doing good things for good people.

In summary, Commissioners, GWSV's North Seventh Street location represents more than property and buildings. It represents the source of hope for those we serve today, and the many more we will be able to serve as we relocate within San Jose.

We've all got a lot riding on this project. None of us wins, or gains anything, should this effort meet with defeat. It's for this reason that I bring this background and perspective regarding Goodwill Industries of Silicon Valley to your attention as you go about making a decision so important to the lives of so many within the communities we serve.

Sincerely,



Frank Kent
President/CEO

